

Attachment G

Physician Oncology: 2002-2005 Income Statements By Source of Payment

Exhibit 1

Physician Oncology, LTD

2002-2005 Income Statements, Accrual Method
By Source of Payment (Third-Party Payor and Patient)

Revenues		2002	2003	2004	2005
		[a]	[b]	[c]	[d]
Amount Paid by Public and Private Third-Party Payors					
[1]	Amount Paid for Drugs	\$911,685	\$867,086	\$1,178,330	\$2,242,267
[2]	Amount Paid for Services	\$276,974	\$218,092	\$438,885	\$442,000
[3]	Amount Paid for Oncology Demonstration Project	\$0	\$0	\$0	\$18,231
	Other Amounts Paid	\$54,622	\$56,318	\$49,883	\$34,208
Total Revenue from Third-Party Payors		\$1,243,281	\$1,141,497	\$1,667,098	\$2,736,707
Amount Designated as Due from Patients					
	Gross Revenue Due from Patients	\$227,692	\$53,565	\$188,763	\$123,550
	Uncollected Patient Obligations	(\$215,882)	(\$36,470)	(\$175,607)	(\$102,184)
Total Net Revenue from Patients		\$11,810	\$17,095	\$13,156	\$21,366
Total Net Revenue		\$1,255,091	\$1,158,592	\$1,680,254	\$2,758,073
Costs and Expenses					
	OTN Drug Purchases	\$730,014	\$842,302	\$989,301	\$1,947,768
	Rebates and Discounts	(\$12,681)	(\$2,819)	(\$20,204)	(\$111,571)
[4]	Medical Supplies	\$24,517	\$20,424	\$20,674	\$25,973
	Office Supplies	\$12,718	\$11,739	\$7,309	\$16,093
	Payroll and Payroll Taxes excluding physician's salary	\$164,975	\$148,574	\$136,246	\$233,976
	Employee Health Insurance	\$7,296	\$2,153	\$12,149	\$30,533
	Rent	\$38,354	\$58,425	\$76,073	\$68,588
[5]	Other	\$90,732	\$111,103	\$135,315	\$130,286
Total Costs and Expenses		\$1,055,924	\$1,191,899	\$1,356,862	\$2,341,647
Net Income (Including Physician's Salary)		\$199,166	(\$33,307)	\$323,392	\$416,426

- [1] EOB payments received from third-party payors for HCPCS J-Codes, Q0136, S5000, S5001, and S0023
- [2] EOB payments for all Service-Related billing codes
- [3] EOB payments received from third-party payors, including Medigap, for Oncology Demonstration Project Codes
- [4] [a] Medical Supply expenses as recorded on Dr. Linda Haegele's QuickBooks accounts
- [4] [b-d] Medical Supply expenses paid to specifically identified suppliers other than OTN as recorded on Dr. Linda Haegele's QuickBooks accounts plus OTN purchases of medical supplies
- [5] Expenses categorized as advertising and promotion, amortization, automobile, bank fees, charity, depreciation, dues and licenses, entertainment, gifts, malpractice insurance, group and liability insurance, interest, legal, meetings and education, miscellaneous, outside services, patient relations, payroll service fees, postage, professional fees, refunds, repairs and maintenance, subscriptions and books, other taxes, telephone, travel, uniforms, utilities, and waste removal expenses per QuickBooks accounts
- [d] Annualized based on data from the first three quarters of 2005

Source: Analysis of information derived from the Explanation of Benefits received by Dr. Linda Haegele's office, OTN sales data and Quickbooks data.

Defendants' Exhibit

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